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Editorial

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I am delighted to announce the winners of the two Best Paper Awards for articles published in *Financial Markets and Portfolio Management*. For the year 2009, the "*FMPM Best Paper Award*" was conferred upon Burkart Mönch in recognition of his article titled "Liquidating large security positions strategically: a pragmatic and empirical approach". The FMPM Best Paper Award comes with a cash prize of EUR 2000. The "*Swisscanto Award for the Best Professional Paper in FMPM*" for the year 2009 was conferred upon Michael Steiner in recognition of his article titled "Predicting premiums for the market, size, value, and momentum factors". The Swisscanto Award comes with a cash prize of CHF 4000. We congratulate the winners with their outstanding contributions to FMPM!

The first article of this issue, authored by Xiaoquan Jiang, investigates a factor model based on return dispersion as a risk factor. He finds that return dispersion is superior to the book-to-market factor in explaining cross-sectional expected returns. The author uses NYSE and AMEX data to form factor portfolios and finds the return dispersion model to outperform several traditional models, such as the Fama–French three-factor model.

In the second article of this issue, Torben Hendricks, Bernd Kempa, and Christian Pierdzioch analyze whether local analysts have informational advantages in forecasting stock returns. They compare the German stock return forecasts by analysts of German banks to those of foreign banks by analyzing 4186 buy and sell recommendations.

It has been documented previously that people tend to show myopic loss aversion in their investment decisions. In the third article of this issue, Kristoffer W. Eriksen

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and Ola Kvaloy present the results of an experiment with 50 financial advisors in which they test whether the professionals also show myopic loss aversion.

The fourth paper in this issue, authored by Antonios Siganos, investigates the momentum effect in the UK. He analyzes whether small investors, investing only a small amount of capital in a limited number of stocks, can exploit the momentum premium effectively if trading restrictions and transaction costs are taken in to account.

The last article of this issue is authored by Beatriz Vaz de Melo Mendes, Mariangela Mendes Semeraro, and Ricoardo P. Camara Leal. They illustrate the methodology of pair copula modeling and apply it to a number of different financial applications.

The book review in this issue discusses the book "International Finance" by Piet Sercu. The reviewer is Evert Wipplinger.